

## Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EA-07 IO-11 ISO-00 L-03 FRB-03

OMB-01 TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00

CIEP-01 CEA-01 /078 W

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R 231825Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1673

INFO USMISSION USUN NEW YORK

USDEL MTN GENEVA

AMEMBASSY MANILA

AMEMBASSY NAIROBI

C O N F I D E N T I A L CARACAS 0827

E.O. 11652: GDS

TAGS: PFOR, EAID, EGEN, VE

SUBJECT: SELA OFFICIAL SUGGESTS POSSIBLE U.S. INITIATIVE AT UNCTAD  
IV ON COUNTRY-FINANCED TECHNICAL SERVICES

SUMMARY: A SENIOR SELA OFFICIAL IS FAVORABLY IMPRESSED WITH USG'S COUNTRY-FINANCED TECHNICAL SERVICES PROGRAM, WHICH HE SEES AS A PROMISING NEW OPPORTUNITY FOR THE TRANSFER OF TECHNOLOGY WITHOUT POLITICAL STRINGS. IN ORDER TO FAMILIARIZE ALL LDC'S AT THE POLICY LEVEL WITH THE COUNTRY-FINANCED CONCEPT, HE SUGGESTS THAT THE U.S. INFORMALLY CIRCULATE THE IDEA BEHIND THE SCENES AT THE FORTHCOMING GROUPOF 77 MEETING AND THAT THE U.S. DELEGATION AT THE MAY UNCTAD IV MEETING IN NAIROBI MAKE A FORMAL PRESENTATION. END SUMMARY.

1. ON JANUARY 30, SENIOR AID CONSULTANT JOHN HEILMAN AND EMBOFF HAD LUNCHEON MEETING WITH ANGEL SERRANO, SELA SECRETARIAT STAFF DIRECTOR. DURING CONVERSATION, HEILMAN DESCRIBED THE SERVICES OFFERED BY THE USG PROGRAM OF COUNTRY-FINANCED TECHNICAL COOPERATION (CFTC). SERRANO RESPONDED VERY FAVORABLY TO THE CONCEPT OF REIMBURSABLE SERVICES, WHICH HE SAW AS A NEW AND MORE  
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MATURE STAGE IN THE U.S. APPROACH TO DEVELOPMENT ASSISTANCE. HE

SAID THAT THE LATIN AMERICAN COUNTRIES WERE EAGER TO FIND NEW WAYS TO FACILITATE THE TRANSFER OF TECHNOLOGY WITHOUT FOREIGN INVOLVEMENT IN INTERNAL POLICIES.

2. SERRANO BELIEVED THAT MANY LDC'S, PARTICULARLY THOSE WITH THE ABILITY TO PAY FOR PROFESSIONAL TECHNICAL SERVICES, WOULD BE INTERESTED IN THE CFTC PROGRAM WHICH HE THOUGHT WAS ALMOST TOTALLY UNKNOWN AT THE PRESENT TIME. TO FAMILIARIZE LDC'S WITH THIS PROGRAM, SERRANO SUGGESTED THAT THE U.S.--PERHAPS THE AMERICAN EMBASSY IN MANILA--CIRCULATE INFORMATION BEHIND THE SCENES AT THE FORTHCOMING GROUP OF 77 MEETING. THIS WOULD LAY THE GROUNDWORK, IN HIS VIEW, FOR THE U.S. DELEGATION AT UNCTAD IV TO MAKE A FORMAL PRESENTATION ON CFTC AS A NEW DIMENSION IN THE TRANSFER OF TECHNOLOGY.

3. ASKED WHETHER SELA ITSELF COULD HAVE A POSSIBLE INTEREST IN COOPERATION WITH CFTC, SERRANO HEDGED. HE SAID THAT "SEVERAL MORE MONTHS" WOULD BE NEEDED TO DETERMINE THE POSSIBILITIES FOR COLLABORATION BETWEEN SELA AND NON-SELA MEMBER GOVERNMENTS.

4. COMMENT: SERRANO'S REMARKS INDICATE THAT AT LEAST SOME LATIN AMERICAN OFFICIALS INVOLVED IN SELA ARE GROPING FOR WAYS TO COOPERATE WITH THE U.S. ON THE TRANSFER OF TECHNOLOGY, WITHOUT GIVING THE APPEARANCE OF CREATING NEW FORMS OF "DEPENDENCY." AS THE DEPARTMENT IS AWARE, SERRANO IS THE RIGHT-HAND MAN OF SELA SECRETARY GENERAL JAIME MONCAYO, A FELLOW ECUADORIAN. SERRANO SERVED TEN YEARS AS AN IMF ECONOMIST BEFORE JOINING MONCAYO IN 1974 WHEN MONCAYO BECAME ECUADOR'S MINISTER OF FINANCE.  
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## Message Attributes

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